

Appeal from a decision of the Wyoming State Office, Bureau of Land Management, rejecting noncompetitive oil and gas lease offer W 77547.

Affirmed.

1. Oil and Gas Leases: Applications: Drawings -- Oil and Gas Leases:
Known Geologic Structure -- Oil and Gas
Leases: Noncompetitive Leases

Lands within a known geologic structure of a producing oil or gas field may be leased only after competitive bidding under the provisions of 43 CFR 3120. A noncompetitive oil and gas lease offer is properly rejected where during the pendency thereof the land is determined to be within the known geologic structure of a producing oil or gas field. The drawing of an application for a noncompetitive oil and gas lease creates no vested rights in the applicant; it only establishes the priority of filing an offer. The offeror is not justified in relying on the expected issuance of a lease.

APPEARANCES: Kenneth L. Hanlin, pro se.

OPINION BY ADMINISTRATIVE JUDGE IRWIN

Kenneth L. Hanlin has appealed the decision of the Wyoming State Office, Bureau of Land Management (BLM), dated May 21, 1982, rejecting his noncompetitive oil and gas lease offer, W 77547, submitted following notification that his simultaneous lease application had received first priority for parcel WY-3967 in the September 1981 drawing. BLM rejected the offer based on a May 17, 1982, report from the Minerals Management Service that the lands in

parcel WY-3967 are within an area designated as the Robbers Gulch undefined known geologic structure (KGS) effective May 13, 1982. ^{1/}

In his statement of reasons, appellant argues, first, that BLM did not make a timely determination on his lease application, that the 8-month delay between the drawing and decision rejecting his offer was longer than generally necessary to issue other leases and that, if BLM had acted more promptly, the lease would have issued before the May KGS determination. Second, he contends that he was not informed of the rules concerning designation of a KGS. Finally, he contends that BLM led him on by accepting his rental payment and that he relied on issuance of the lease and sold the lease to an oil company. He urges that an adverse decision overly penalizes him because of the additional expenses he has incurred.

[1] Land within a KGS of a producing oil or gas field may be leased only after competitive bidding pursuant to 43 CFR 3120. 30 U.S.C. § 226(b) (1976). Thus, if lands embraced in a noncompetitive offer are designated as being within a KGS before issuance of a lease, the noncompetitive lease offer must be rejected as to those lands. Lida R. Drumheller, 63 IBLA 290 (1982); Richard J. DiMarco, 53 IBLA 130 (1981), aff'd, DiMarco v. Watt, Civ. No. 81-2243 (D.D.C. Mar. 25, 1982); Guy W. Franson, 30 IBLA 123 (1977); 43 CFR 3110.1-8. This Department has no discretion under the law to issue a noncompetitive lease for such lands. McDade v. Morton, 353 F. Supp. 1006 (D.D.C. 1973), aff'd, 494 F.2d 1156 (D.C. Cir. 1974).

The drawing of an application for a noncompetitive oil and gas lease creates no vested rights in the applicant; it only establishes priority of filing. 43 CFR 3110.1-6(b). See Guy W. Franson, supra. Under 43 CFR 3112.4-1(a), a priority applicant's timely submission of the properly signed lease and required rental constitutes an offer to lease. The signing of this offer by the authorized BLM officer is the act that constitutes acceptance of the applicant's offer and creates a binding contract. 43 CFR 3112.4-2. The date of signing is the date of lease issuance and the determinative date with respect to the rights of the offeror. Until that time appellant had no lease which he could rightfully assign. His reliance on the expectation of obtaining a lease is no basis for overruling BLM. 43 CFR 3112.4-3.

In response to appellant's other arguments, we note two well established principles. First, the authority of the United States to enforce a public right or protect a public interest is not vitiated or lost by its officers' failure to act or delay in the performance of their duties. 43 CFR 1810.3(a); Otay Mining Co., 62 IBLA 166 (1982). Second, all persons dealing with the Government are presumed to have knowledge of relevant statutes and duly promulgated regulations. 44 U.S.C. §§ 1507, 1510 (1976); Federal Crop Insurance Corp. v. Merrill, 332 U.S. 380 (1947); Donald H. Little, 37 IBLA 1 (1978).

^{1/} Parcel WY-3967 consisted of the S 1/2 sec. 28, T. 14 N., R. 92 W., sixth principal meridian, Carbon County, Wyoming.

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision of the Wyoming State Office is affirmed. 2/

Will A. Irwin
Administrative Judge

We concur:

Bruce R. Harris
Administrative Judge

Anne Poindexter Lewis
Administrative Judge

2/ In accordance with BLM Instruction Memorandum No. 83-95, dated Nov. 15, 1982, appellant's filing fee shall be refunded.

